GOVERNMENT OF INDIA
TOURISM AND CULTURE
LOK SABHA

UNSTARRED QUESTION NO:4277
ANSWERED ON:12.08.2002
REDUCTION IN TAX
P. RAJENDRAN

Will the Minister of TOURISM AND CULTURE be pleased to state:

(a) whether the Government have proposed a reduction in the tax structure in the Hospitality Sector in respect of food and beverages; and

(b) if so, the specific advantage likely to be derived by the Hospitality Sector from such reduction?

Answer

MINISTER OF TOURISM AND CULTURE (SHRI JAGMOHAN)

(a) : In the Union Budget 2002-03 food and beverages have been exempted from Expenditure Tax.Service Tax exemption of 5% in case of functions and banquets organized in hotels has been extended for one more year. Further, the customs duty on imported liquor has also been reduced.

(b) : The reduction in taxes will help in making India a less expensive and more competitive destination.